

**TENNESSEE SECURITIES DIVISION**

**Petitioner,**

**VS.**

**CONSTITUTION CAPITAL  
CORPORATION**

**Respondent.**

**File No.: 99-007**

## CONSENT ORDER

The Tennessee Securities Division (the “Division”) and Constitution Capital Corporation agree to the entry of this Consent Order in accordance with T.C.A. §48-2-116 of the Tennessee Securities Act of 1980, as amended, T.C.A. §§48-2-101, et seq. (The “Act”), which states that the Commissioner from time to time may make such orders as are necessary to carry out the provisions of the Act.

## FINDINGS OF FACT

1        The Tennessee Securities Act of 1980, as amended, T.C.A. §48-2-101, et seq. (the  
“Act”), places the responsibility for the administration of the Act on the Commissioner of  
Commerce and Insurance (“Commissioner”). The Division is the lawful agent through which the  
Commissioner discharges this responsibility. T.C.A. §48-2-115.

2. Constitution Capital Corporation "Constitution" (CRD 36485) currently has a broker-dealer registration application pending with the Division.

3. Constitution maintains its business address at 101 Merrit 7, Norwalk, Connecticut 06851.

4. Paul Harper Daimler "Daimler" (CRD 715353) is currently employed as an agent of CCC. Daimler is not registered with the Division as an agent of Constitution. Daimler maintains a business address at 101 Merrit 7, Norwalk, Connecticut 0685

5. Jean Gray Carr "Carr" has been a citizen of Tennessee and a resident of Memphis since 1995. Ms. Carr has been a customer of Constitution since Daimler became employed by the broker-dealer on or about April 29, 1998.

6. During the eleven months since Ms. Carr established her account with Constitution, more than fifteen securities transactions have been executed on her behalf.

7. Were the Division to pursue an administrative proceeding against Constitution, evidence would be introduced to establish the following:

(a) Constitution, through Daimler executed securities transactions on behalf of a Tennessee resident during a period of time in which Constitution was not registered as a broker-dealer with the Division pursuant to the Act;

(b) Constitution permitted Daimler to act as an agent of the broker-dealer in the State of Tennessee although he was not registered as an agent with the Division.

## **CONCLUSIONS OF LAW**

8. Pursuant to Tennessee Code Annotated Section 48-2-115(a), the responsibility for the administration of the Act is upon the Commissioner. The Division is the lawful agent through which the Commissioner discharges this responsibility.

9. Pursuant to Tennessee Code Annotated Section 48-2-112(a)(2)(B) the Commissioner, by order may deny, suspend, or revoke any registration under this part if the Commissioner finds that the order is in the public interest, necessary for the protection of investors, and if he finds that the applicant, or in the case of a broker-dealer, any officer, director, or any person occupying a similar status or performing similar functions has willfully violated or willfully failed to comply with any provision, rule or Order under the Act.

10. T.C.A. §48-2-109(a) provides, in pertinent part, that it is unlawful for any person to transact business from or in this state as a broker-dealer or agent unless such person is registered as a broker-dealer or agent under this part.

11. T.C.A. §48-2-109(b) provides, in pertinent part, that it is unlawful for any broker-dealer to employ an agent to transact business as an agent unless the agent is registered under this part.

12. The averments in paragraph 7, of this Consent Order, if proven true, would constitute practices by Constitution and its agent, which would provide grounds under Tennessee Code Annotated Section 48-2-112(a)(2)(B) for the entry of an order of sanctions against Constitution.

## **ORDER**

**NOW, THEREFORE**, on the basis of the foregoing, and Constitution Capital Corporation's waiver of its right to a hearing and appeal under the Tennessee Securities Act and Tennessee's Uniform Administrative Procedures Act, Tennessee Code Annotated §§4-5-101 et seq., and Constitution Capital Corporation's admission of jurisdiction of the Commissioner, the Commissioner finds that Constitution Capital Corporation, for the sole purpose of settling this matter and without admitting or denying the matters herein, has consented to the entry of this Order and that the following Order is appropriate, in the public interest and necessary for the protection of investors.

**IT IS ORDERED**, pursuant to Tennessee Code Annotated §48-2-116(a) of the Tennessee Securities Act that:

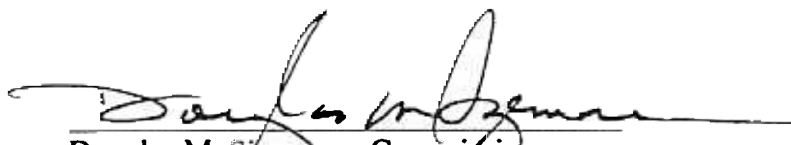
1. Constitution Capital Corporation shall fully comply with the Tennessee Securities Act, as amended, and all rules promulgated thereunder.
2. Constitution Capital Corporation shall not act as a broker-dealer in the State of Tennessee, as that term is defined under the Act, until it becomes registered as such with the Division.
2. Constitution Capital Corporation shall pay a civil penalty in the sum of five thousand (\$5,000) dollars within thirty days of the date of entry of this order. The payment of this civil penalty shall be mailed to:

Tennessee Securities Division  
Broker-Dealer Registration Section  
Davy Crockett Tower, Suite 680  
500 James Robertson Parkway  
Nashville, Tennessee 37243

**IT IS ORDERED** that this Order represents the complete and final resolution of, and discharge with respect to all administrative and civil, claims, demands, actions and causes of action by the Commissioner against Constitution Capital Corporation for violations of the Act arising from the execution of securities transaction on behalf of Jean Gray Carr by its agent Paul Harper Daimler during the period of April 29, 1998 to March 25, 1999, to the extent that those transactions were executed by an unregistered broker-dealer and its unregistered agent.

This Consent Order is in the public interest and in the best interests of the parties, and represents a compromise and settlement of the controversy between the parties and is for settlement purposes only. By the signatures affixed below, Constitution Capital Corporation affirmatively states that it has freely agreed to the entry of this Consent Order, that it has been advised by the undersigned counsel of record in this matter, that it waives its right to a hearing on the matters underlying this Consent Order and to a review of the Findings of Fact and Conclusions of Law contained herein, and that no threats or promises of any kind have been made by the Commissioner, the Division, or any agent or representative thereof. The parties, by signing this Consent Order, affirmatively state their agreement to be bound by the terms of this Consent Order and aver that no promises or offers relating to the circumstances described herein, other than the terms of settlement set forth in this Consent Order, are binding upon them.

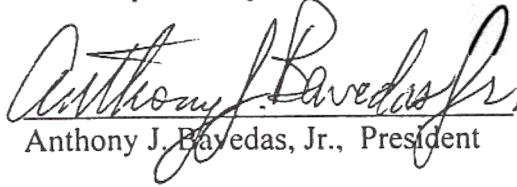
ENTERED this 11<sup>th</sup> day of March, 1999.


  
Douglas M. Sizemore, Commissioner  
Department of Commerce and Insurance

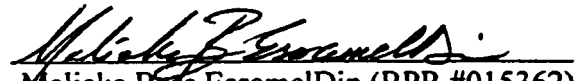
**APPROVED FOR ENTRY:**

Constitution Capital Corporation

By:

  
Anthony J. Bayedas, Jr., President

  
Daphne D. Smith  
Assistant Commissioner for Securities  
Department of Commerce and Insurance

  
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